

MONTANA LEGISLATIVE HISTORY

Chapter 335 1983

Bill H _____ S 392 Original bill & history ☒ C

H. Committee on Business & Industry

Hearing Date(s) Mar 10 ☒ C

Mar 11 ☒ C

_____ ☐ C

_____ ☐ C

Date Out Mar 11 ☒ C

S. Committee on Business & Industry

Hearing Date(s) Feb 14 ☒ C

Feb 15 ☒ C

_____ ☐ C

_____ ☐ C

Feb 15 ☒ C

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

TRANSMITTED TO GOVERNOR: 04/14/83
SIGNED: 04/19/83, CHAPTER 581

SB 392 -- ELLIOTT, GAGE -- TO GENERALLY REVISE AND CLARIFY THE LICENSING LAWS FOR
CERTIFIED PUBLIC ACCOUNTANTS
BY REQUEST OF: THE BOARD OF PUBLIC ACCOUNTANTS

INTRODUCED: 02/10/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 02/10/83
HEARING: 2/14/83
REPORT: 2/15/83, DO PASS, AS AMENDED
2ND READING: 02/17/83 AYES: 43; NAYS: 1
3RD READING: 02/19/83 AYES: 46; NAYS: 1

TRANSMITTED TO HOUSE: 02/19/83
REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 02/28/83
HEARING: 3/10/83
REPORT: 03/11/83, BE CONCURRED IN
2ND READING: 03/19/83, BE CONCURRED IN AYES: 77; NAYS: 4
3RD READING: 03/21/83, BE CONCURRED IN AYES: 91; NAYS: 5

RETURNED TO SENATE: 3/21/83

TRANSMITTED TO GOVERNOR: 03/28/83
SIGNED: 4/2/83, CHAPTER 335

SB 393 -- DANIELS -- PROVIDING FOR THE MANDATORY EXECUTION OF HABITUAL CRIMINALS.

INTRODUCED: 02/10/83
REFERRED TO COMMITTEE ON JUDICIARY: 02/10/83
HEARING: 2/17/83
DIED IN COMMITTEE

SB 394 -- BOB BROWN, HALLIGAN, FULLER, ET AL. -- ALLOWING A DEFENDANT SENTENCED
DEATH TO CHOOSE BETWEEN HANGING AND A LETHAL INJECTION

INTRODUCED: 02/10/83
REFERRED TO COMMITTEE ON JUDICIARY: 02/10/83
HEARING: 2/15/83
REPORT: 2/16/83, DO PASS, AS AMENDED
2ND READING: 02/19/83 AYES: 34; NAYS: 6
3RD READING: 02/22/83 AYES: 39; NAYS: 9

TRANSMITTED TO HOUSE: 02/22/83
REFERRED TO COMMITTEE ON JUDICIARY: 02/28/83
HEARING: 3/16/83
REPORT: 03/21/83, BE CONCURRED IN, AS AMENDED
2ND READING: 03/22/83, BE CONCURRED IN AYES: 68; NAYS: 5
3RD READING: 03/23/83, BE CONCURRED IN AYES: 81; NAYS: 12

RETURNED TO SENATE WITH AMENDMENTS: 3/24/83
2ND READING: 03/30/83 AYES: 32; NAYS: 9
3RD READING: 03/31/83 AYES: 43; NAYS: 6

TRANSMITTED TO GOVERNOR: 04/06/83
SIGNED: 4/9/83, CHAPTER 411

SENATE BILL NO. 392

INTRODUCED BY ELLIOTT, GAGE

BY REQUEST OF THE BOARD OF PUBLIC ACCOUNTANTS

IN THE SENATE

February 10, 1983	Introduced and referred to Committee on Business and Industry.
February 15, 1983	Committee recommend bill do pass as amended. Report adopted.
	Statement of Intent attached.
February 16, 1983	Bill printed and placed on members' desks.
February 17, 1983	Second reading, do pass.
February 18, 1983	Correctly engrossed.
February 19, 1983	Third reading, passed. Ayes, 46; Noes, 1. Transmitted to House.

IN THE HOUSE

February 28, 1983	Introduced and referred to Committee on Business and Industry.
March 11, 1983	Committee recommend bill be concurred in. Report adopted.
March 19, 1983	Second reading, concurred in.
March 21, 1983	Third reading, concurred in.

IN THE SENATE

March 22, 1983

Returned to Senate. Sent to
enrolling.

Reported correctly enrolled.

1 *Amended* BILL NO. *392*
 2 INTRODUCED BY *Elliott*
 3 BY REQUEST OF THE BOARD OF PUBLIC ACCOUNTANTS
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
 6 CLARIFY THE LICENSING LAWS FOR CERTIFIED PUBLIC ACCOUNTANTS
 7 AND LICENSED PUBLIC ACCOUNTANTS; TO BROADEN THE BOARD OF
 8 ACCOUNTANTS MANDATORY RULEMAKING AUTHORITY; TO ALLOW THE
 9 BOARD TO REQUIRE ACCOUNTING EXPERIENCE AS A PREREQUISITE TO
 10 RECEIVING A PERMIT; GRANTING THE BOARD AUTHORITY TO ASSESS
 11 INVESTIGATIVE COSTS; PROVIDING FOR EXCEPTIONS TO PRIVILEGED
 12 COMMUNICATIONS; AND PROVIDING A PENALTY; AMENDING SECTIONS
 13 37-50-102, 37-50-201, 37-50-203, 37-50-301 THROUGH
 14 37-50-303, 37-50-305, 37-50-308, 37-50-311, 37-50-312,
 15 37-50-314, 37-50-316, 37-50-321, 37-50-322, 37-50-333
 16 THROUGH 37-50-335, 37-50-342, AND 37-50-402, MCA."

17
 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 Section 1. Section 37-50-102, MCA, is amended to read:

20 "37-50-102. Exemptions. Nothing contained in this
 21 chapter shall prohibit any person not a certified public
 22 accountant or licensed public accountant from serving as an
 23 employee of or an assistant to a certified public accountant
 24 or a licensed public accountant holding a ~~license permit~~ to
 25 practice under 37-50-314 or a partnership or corporation

1 composed of certified public accountants or licensed public
 2 accountants registered under this chapter or a foreign
 3 accountant registered under 37-50-313 provided that such
 4 employee or assistant shall not issue any accounting or
 5 financial statement over his name."

6 Section 2. Section 37-50-201, MCA, is amended to read:

7 "37-50-201. Organization -- general rulemaking power
 8 -- quorum -- seal -- records. (1) The board shall elect
 9 annually a chairman, ~~and a secretary and treasurer~~ from its
 10 members.

11 (2) The board may adopt rules for the conduct of its
 12 affairs and the administration of this chapter.

13 (3) A quorum for the transaction of business consists
 14 of three members of the board.

15 (4) The board shall have a seal which shall be
 16 judicially noticed.

17 (5) The department shall keep records of the board's
 18 proceeding. In a proceeding in court, civil or criminal,
 19 arising out of or founded on this chapter, copies of these
 20 records certified as correct under the seal of the board are
 21 admissible in evidence as tending to prove the content of
 22 these records."

23 Section 3. Section 37-50-203, MCA, is amended to read:

24 "37-50-203. Rules of the board ~~---seattitation---of~~
 25 advisory--comments. (1) The board may adopt such rules

-2- INTRODUCED BILL

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1 consistent with the purposes of this chapter as it considers
2 necessary.

3 (2) The board shall adopt:

4 (a) rules of professional conduct appropriate to
5 establish and maintain a high standard of integrity,
6 dignity, and competency in the profession of public
7 accounting including competency in specific fields of public
8 accounting;

9 (b) rules of procedure governing the conduct of
10 matters before the board;

11 (c) rules governing education requirements, ~~as~~
12 ~~provided in 31-50-305,~~ for issuance of the certificate of a
13 certified public accountant and the license for licensed
14 public accountant;

15 (d) rules prescribing requirements for continuing
16 education to be met by certified public accountants and
17 licensed public accountants, in order to maintain their
18 professional knowledge and competence, as a condition to
19 continuing in the practice of public accounting. In issuing
20 rules and individual orders regarding continuing education,
21 the board, in its discretion:

22 (i) may, among other things, use or rely upon
23 guidelines and pronouncements of recognized educational and
24 professional associations;

25 (ii) may prescribe the content, duration, and

1 organization of courses; and

2 (iii) shall take into account the accessibility to
3 applicants of such continuing education as it may require
4 and any impediments to interstate practice of public
5 accounting that may result from differences in such
6 requirements in other states;

7 (e) rules governing partnerships and corporations
8 practicing public accounting, including but not limited to
9 rules concerning their style, name, title, and affiliation
10 with any other organization and establishing reasonable
11 standards with respect to professional liability insurance
12 and unimpaired capital and prescribing joint and several
13 liability for torts relating to professional services for
14 shareholders of any such corporation failing to comply with
15 such standards; and

16 (f) rules setting forth the terms, not exceeding 2
17 years, ~~and areas of experience~~ required for certification as
18 a certified public accountant and licensing as a licensed
19 public accountant;

20 ~~(g) internal rules considered necessary to initiate~~
21 ~~and conduct investigations and protect the confidences of~~
22 ~~the client of any certified public accountant or licensed~~
23 ~~public accountant subjected to board disciplinary~~
24 ~~proceedings;~~

25 ~~(h) rules defining requirements for accounting~~

1 ~~experiences not exceeding 2 years, for issuance of the~~
2 ~~initial annual permit; and~~

3 ~~(1) rules to enforce the provisions of this chapter,~~
4 ~~the purpose of which rules shall be to provide for the~~
5 ~~monitoring of the profession of public accounting and to~~
6 ~~maintain the quality of the accounting profession.~~

7 ~~(3) At least 60 days prior to the adoption of a rule~~
8 ~~or amendment, the department shall mail copies of the~~
9 ~~proposed rule or amendment to each holder of a certificate~~
10 ~~or license issued under 37-50-314, with a notice advising~~
11 ~~him of the proposed effective date of the rule or amendment~~
12 ~~and requesting that he submit his comments on it at least 15~~
13 ~~days prior to the effective date. These comments are~~
14 ~~advisory only. The department's certificate of mailing to~~
15 ~~licensed accountants is conclusive proof thereof.~~

16 Section 4. Section 37-50-301, MCA, is amended to read:

17 "37-50-301. Illegal use of title. (1) No person may
18 assume or use the title or designation "certified public
19 accountant" or the abbreviation "CPA" or any other title,
20 designation, words, letters, abbreviation, sign, card, or
21 device tending to indicate that such person is a certified
22 public accountant unless such person ~~has received a~~ holds a
23 current certificate as a certified public accountant in some
24 state and is certified under 37-50-302, 37-50-310, or
25 37-50-311 and all of such person's offices in this state for

1 the practice of public accounting are maintained and
2 registered as required under 37-50-335 under this chapter.
3 However, a foreign accountant who has registered under the
4 provisions of 37-50-313 may use the title under which he is
5 generally known in his country, followed by the name of the
6 country from which he received his certificate, license, or
7 degree.

8 (2) No partnership or corporation shall assume or use
9 the title or designation "certified public accountant" or
10 the abbreviation "CPA" or any other title, designation,
11 words, letters, abbreviation, sign, card, or device tending
12 to indicate that such partnership or corporation is composed
13 of certified public accountants unless it is registered
14 under 37-50-331 or 37-50-332, whichever is applicable, and
15 all of its offices in this state for the practice of public
16 accounting are maintained and registered as required under
17 37-50-335.

18 (3) No person may assume or use the title or
19 designation "licensed public accountant", "public
20 accountant", or any other title, designation, words,
21 letters, abbreviation, sign, card, or device tending to
22 indicate that such person is a public accountant unless such
23 person is licensed holds a current license as a licensed
24 public accountant under this chapter holds a current
25 license issued under 37-50-314, and all of such person's

offices in this state for the practice of public accounting are maintained and registered as required under 37-50-335 or unless such person has received a certificate as a certified public accountant in some state, holds a current license issued under 37-50-314, and all of such person's offices in this state for the practice of public accounting are maintained and registered as required under 37-50-335.

(4) No partnership or corporation may assume or use the title or designation "licensed public accountant", "public accountant", or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such partnership or corporation is composed of public accountants unless it is registered under 37-50-331, 37-50-332, 37-50-333, or 37-50-334, whichever is applicable, and all of its offices in this state for the practice of public accounting are maintained and registered as required under 37-50-335.

(5) No person, corporation, or partnership may assume or use the title or designation "certified accountant", "chartered accountant", "enrolled accountant", "licensed accountant", "registered accountant", or any other title or designation likely to be confused with "certified public accountant", "licensed public accountant", "public accountant" or any of the abbreviations "CA", "EA", "LA", or "RA" or similar abbreviations likely to be confused with

"CPA". However, a foreign accountant who has registered under 37-50-313 may use the title under which he is generally known in his country, followed by the name of the country from which he received his certificate, license, or degree.

(6) No person may sign or affix his name or any trade or assumed name used by him in his profession or business with any wording indicating that he has expert knowledge in accounting or auditing to any accounting or financial statement or to any opinion on, report on, or certificate to any accounting or financial statement unless he holds a current license ~~permit~~ issued under 37-50-314 and all of his offices in this state for the practice of public accounting are maintained and registered under 37-50-335. However, the provisions of this subsection do not prohibit any officer, employee, partner, or principal of any organization from affixing his signature to any statement or report in reference to the financial affairs of that organization with any wording designating the position, title, or office which he holds in that organization, nor do the provisions of this subsection prohibit any act of a public official or public employee in the performance of his duties as such.

(7) No person may sign or affix a partnership or corporation name with any wording indicating that it is a partnership or corporation composed of persons having expert

1 knowledge in accounting or auditing to any accounting or
 2 financial statement or to any report on or certificate to
 3 any accounting or financial statement unless the partnership
 4 or corporation is registered under 37-50-331, 37-50-332,
 5 37-50-333, or 37-50-334 and all of its offices in this state
 6 for the practice of public accounting are maintained and
 7 registered as required under 37-50-335.

8 (8) No person may assume or use the title or
 9 designation "certified public accountant" or "public
 10 accountant" in conjunction with names indicating or implying
 11 that there is a partnership or corporation or in conjunction
 12 with the designation "and company" or "and co." or a similar
 13 designation if, in any such case, there is in fact no bona
 14 fide partnership or corporation registered under 37-50-331,
 15 37-50-332, 37-50-333, or 37-50-334. However, it is lawful
 16 for a sole proprietor to continue the use of the deceased's
 17 name in connection with his business for a reasonable period
 18 of time after the death of a former partner."

19 Section 5. Section 37-50-302, MCA, is amended to read:
 20 "37-50-302. Certified public accountants --
 21 certification -- qualifications and requirements.
 22 Certification The board shall grant an initial certificate
 23 as a certified public accountant is available to any person
 24 who:

25 (1) is of good moral character;

1 (2) has successfully passed the certified public
 2 accountants' examination; and

3 (3) meets the requirements of education set forth in
 4 this chapter and in board rules."

5 Section 6. Section 37-50-303, MCA, is amended to read:

6 "37-50-303. Public accountants -- licensure --
 7 qualifications and requirements. Licensure The board shall
 8 grant an initial license as a licensed public accountant is
 9 available to any person who:

10 (1) is a resident of this state or has a place of
 11 business in this state or as an employee, is regularly
 12 employed in this state;

13 (2) is of good moral character;

14 (3) is meets the requirements of education set forth
 15 in this chapter and board rules; and

16 (4) is complies with the qualifications and
 17 requirements in any one of the subsections of 37-50-304."

18 Section 7. Section 37-50-305, MCA, is amended to read:

19 "37-50-305. Education requirements. A candidate for
 20 certification as a certified public accountant or licensing
 21 as a licensed public accountant must have graduated from a
 22 college or university accredited to offer a baccalaureate
 23 degree:

24 (1) with a concentration in accounting; or

25 (2) with a concentration other than accounting if

1 supplemented by ~~experience or by~~ related courses in other
2 areas of business administration and the board determines
3 that an equivalent education has been achieved."

4 Section 8. Section 37-50-308, MCA, is amended to read:

5 "37-50-308. Examination. Except as provided in
6 37-1-101(4), the department shall ~~hold-end-grade administer~~
7 a written examination in accounting, auditing, and related
8 subjects as the board determines appropriate. The grade
9 determination of the department ~~board~~ is final in each case.
10 The department ~~board~~ may use the examination and grading
11 services of the American institute of certified public
12 accountants. The examination must be held at least annually
13 and at such other times as applications warrant. The board
14 may determine the time and place of examination and may
15 adopt rules necessary for the orderly conduct of the
16 examination."

17 Section 9. Section 37-50-311, MCA, is amended to read:

18 "37-50-311. Certified public accountants -- waiver of
19 examination for holders of ~~foreign or~~ out-of-state ~~license~~
20 ~~licenses, certificates, permits, or degrees~~. The board in
21 its discretion may waive the examination and issue a
22 certificate as a certified public accountant to any person
23 otherwise eligible therefor who is the holder of a
24 certificate, ~~license, or permit~~ as a certified public
25 accountant, then in full force and effect, issued under the

1 laws of any state or is the holder of a certificate,
2 license, or degree in a foreign country constituting a
3 recognized qualification for the practice of public
4 accounting in such country, comparable to that of a
5 certified public accountant in this state, which is then in
6 full force and effect, where the requirements entitling him
7 to practice as such certified public accountant were
8 substantially equivalent to those in force in the state of
9 Montana at the time the certificate was originally issued."

10 Section 10. Section 37-50-312, MCA, is amended to
11 read:

12 "37-50-312. Public accountants -- waiver of
13 examination for holders of out-of-state license. The board
14 in its discretion may waive the examination and register as
15 a ~~licensed~~ public accountant any person otherwise eligible
16 therefor who is the holder of a license as a ~~licensed~~ public
17 accountant, then in full force and effect, issued under the
18 laws of any state or is the holder of a license or degree in
19 a foreign country constituting a recognized qualification
20 for the practice of public accounting in such country,
21 comparable to that of a licensed public accountant in this
22 state, which is then in full force and effect, where the
23 requirements entitling him to practice as such licensed
24 public accountant were substantially equivalent to those in
25 force in the state of Montana at the time the license was

originally issued."

Section 11. Section 37-50-314, MCA, is amended to read:

"37-50-314. Annual ~~certification--or--license~~ permit ~~required--display.~~ (1) ~~Annual--certificates--and--licenses~~ No person may engage in the practice of public accounting in this state unless he holds a current annual permit issued by the department. An annual permit to engage in the practice of public accounting in this state shall be issued by the department to ~~certified-public-accountants--and--to--licensed public-accountants~~ a person who holds a current certificate as a certified public accountant or license as a licensed public accountant and complies with the requirements of this chapter. ~~There--is--an--annual--certificate--or--license--renewal fee--in--an--amount--to--be--determined--by--the--board.~~ ~~Annual certificates--and--licenses--expire--on--December--31--of--each--year and--may--be--renewed--for--a--period--of--1--year--by--certified public--accountants--and--licensed-public-accountants--in--good standing--on--payment--of--the--annual--renewal--fee~~

~~(2)--A--person--who--fails--to--renew--his--license--or certificate--shall--promptly--surrender--it--to--the--board--upon request~~

~~(3)(2)~~ After the expiration of the 3-year period immediately following the effective date of a board rule establishing continuing education requirements, each

application for renewal of a permit by a person who has held his certificate or license for 3 years or more must be accompanied or supported by evidence satisfactory to the board of fulfillment of such requirements during the 3-year period immediately preceding the application.

~~(4)(3)~~ The board may in its discretion waive the requirement stated in subsection ~~(3)~~ (2) if the applicant agrees to follow a particular program or schedule of continuing education agreeable to the board.

~~(5)(4)~~ The board may relax or suspend continuing education requirements for an applicant who certifies that he does not intend to engage in the practice of public accounting and for an applicant who cannot fulfill the requirement due to individual hardship.

~~(6)(5)~~ Subject to subsections ~~(4)~~ (3) and ~~(5)~~ (4), the board may revoke, suspend, or refuse to renew the ~~certificate--or--license~~ permit of an applicant who fails to furnish evidence of having met the continuing education requirements established by the board.

~~(6)~~ The current annual permit to engage in the practice of public accounting must be prominently displayed for public inspection.

Section 12. Section 37-50-316, MCA, is amended to read:

"37-50-316. Other license fees prohibited. No

1 ~~certificate, permit, or~~ license fees shall be imposed as a
2 condition upon the practice of public accountancy other than
3 those provided for in this chapter."

4 ~~NEW SECTION.~~ Section 13. Certificate, license, and
5 permit expiration -- renewal fees. (1) Certificates,
6 licenses, and permits issued by the board expire on December
7 31 of each year.

8 (2) Certificates and licenses must be renewed by the
9 department upon payment of the annual renewal fee prescribed
10 by the board.

11 (3) Permits must be renewed by the department upon
12 payment of the annual renewal fee and upon compliance with
13 the continuing education requirements prescribed by the
14 board.

15 Section 14. Section 37-50-321, MCA, is amended to
16 read:

17 "37-50-321. Revocation, ~~and suspension or refusal to~~
18 ~~renew of certificate, or license, or permit or refusal to~~
19 ~~renew permit -- recovery of costs.~~ (1) After notice and
20 hearing as provided in 37-50-341, the board may revoke or
21 may suspend any certificate issued under 37-50-302 or any
22 license granted under 37-50-303 or may revoke, suspend, or
23 refuse to renew any ~~license permit~~ issued under 37-50-314 or
24 may censure the holder of any such license for any one or
25 any combination of the following causes:

1 ~~(1)(a)~~ fraud or deceit in obtaining a certificate as
2 certified public accountant or in obtaining a license to
3 practice public accounting under this chapter;

4 ~~(2)(b)~~ dishonesty, fraud, or gross negligence in the
5 practice of public accounting;

6 ~~(3)(c)~~ violation of any of the provisions of 37-50-301
7 ~~this chapter or rules of the board;~~

8 ~~(4) --violation of a rule of professional conduct~~
9 ~~promulgated by the board under the authority granted by this~~
10 ~~chapter;~~

11 ~~(5)(d)~~ conviction of a felony under the laws of any
12 state or of the United States;

13 ~~(6)(e)~~ conviction of any crime, an element of which is
14 dishonesty or fraud, under the laws of any state or of the
15 United States;

16 ~~(7)(f)~~ cancellation, revocation, suspension, or
17 refusal to renew authority to practice as a certified public
18 accountant or a public accountant by any other state for any
19 cause other than failure to pay an annual registration fee
20 in such other state;

21 ~~(8)(g)~~ suspension or revocation of the right to
22 practice before any state or federal agency;

23 ~~(b) failure to pay the renewal fees prescribed by the~~
24 ~~board.~~

25 ~~(2) The board may, following a final determination~~

~~resulting in any disciplinary action taken by the board under subsection (1), recover from the disciplined party all reasonable costs of any proceeding incurred for the purposes of that disciplinary action."~~

Section 15. Section 37-50-322, MCA, is amended to read:

"37-50-322. Reinstatement of certificates or licenses or permit to practice. On application in writing and after hearing pursuant to notice, the board may authorize the department to:

(1) ~~issue a new certificate to a certified public accountant whose certificate has been revoked or may permit the re-licensing of anyone whose license has been revoked or may re-issue or modify the suspension of a license to practice public accounting which has been revoked or suspended;~~ licenses or permits

(2) ~~reinstate a suspended or revoked certificate, license, or permit;~~

(3) ~~modify the terms of suspension of a certificate, license, or permit."~~

Section 16. Section 37-50-333, MCA, is amended to read:

"37-50-333. Partnership composed of public accountants -- registration. (1) A partnership engaged in this state in the practice of public accounting must register with the

department as a partnership of licensed public accountants provided it meets the following requirements:

(a) At least one general partner must be a certified public accountant or a licensed public accountant of this state in good standing and a holder of a license permit issued under 37-50-314 which is in effect.

(b) Each partner personally engaged in this state in the practice of public accounting must be a certified public accountant or a licensed public accountant of this state in good standing and a holder of a license permit issued under 37-50-314 which is in effect.

(c) Each local manager in charge of an office or a firm in this state must be a certified public accountant or a licensed public accountant of this state in good standing and a holder of a license permit issued under 37-50-314 which is in effect.

(2) Application for registration must be made on the affidavit of a general partner of the partnership who holds a license permit to practice in this state as a certified public accountant or as a licensed public accountant. The board shall in each case determine whether the applicant is eligible for registration. A partnership which is registered may use the words "public accountants" in connection with its partnership name. Notification shall be given the department within 1 month after the admission to or

1 withdrawal of a partner from a partnership so registered."

2 Section 17. Section 37-50-334, MCA, is amended to
3 read:

4 "37-50-334. Corporation composed of public accountants
5 -- registration. (1) A professional service corporation
6 organized for the practice of public accounting must
7 register with the board as a corporation of public
8 accountants provided it meets the following requirements:

9 (a) The sole purpose and business of the corporation
10 must be to furnish to the public services not inconsistent
11 with this chapter or the rules of the board, but the
12 corporation may invest its funds in a manner not
13 incompatible with the practice of public accounting.

14 (b) At least one shareholder thereof must be a
15 certified public accountant or public accountant of this
16 state in good standing and must hold a ~~license~~ permit issued
17 under 37-50-314 which is in effect.

18 (c) Each shareholder of the corporation must be a
19 certified public accountant or a licensed public accountant
20 of some state in good standing and must be principally
21 employed by the corporation or actively engaged in its
22 business. No other person may have any interest in the stock
23 of the corporation. The principal of the corporation and any
24 officer or director having authority over the practice of
25 public accounting by the corporation must be certified

1 public accountants or public accountants of some state in
2 good standing.

3 (d) Each shareholder of the corporation personally
4 engaged within this state in the practice of public
5 accounting as a member thereof must be a certified public
6 accountant or a licensed public accountant of this state in
7 good standing and must hold a ~~license~~ permit issued under
8 37-50-314 which is in effect.

9 (e) In order to facilitate compliance with the
10 provisions of this section relating to the ownership of
11 stock, there must be a written agreement binding the
12 corporation or the qualified shareholders to purchase any
13 shares offered for sale by or not under the ownership or
14 effective control of a qualified shareholder and binding any
15 shareholder not a qualified shareholder to sell such shares
16 to the corporation or the qualified shareholders. The
17 agreement must be noticed on each certificate of corporate
18 stock.

19 (2) Application for such registration must be made
20 upon the affidavit of a shareholder who holds a ~~certificate~~
21 ~~or--license~~ permit to practice in this state as a certified
22 public accountant or licensed public accountant. The board
23 shall determine whether the applicant is eligible for
24 registration. A corporation which is so registered may use
25 the words "public accountant" or the abbreviation "PA" in

connection with its corporation name. Notification shall be given the board within 1 month after the admission or withdrawal of a shareholder of a corporation so registered."

Section 18. Section 37-50-335, MCA, is amended to read:

"37-50-335. Registration of offices. Each office established or maintained in this state for the practice of public accounting in this state by a certified public accountant or a partnership or corporation of certified public accountants or by a licensed public accountant or a partnership or corporation of licensed public accountants or by one registered under 37-50-313 shall be registered annually with the department. A fee may not be charged for this registration. In addition, each individual engaged in this state in the practice of public accounting must be certified--or--licensed ~~have~~ annually ~~received a permit~~ under 37-50-314."

Section 19. Section 37-50-342, MCA, is amended to read:

"37-50-342. Violation. Any person who violates any provision of ~~37-50-301-shall-be this chapter or the rules of the board~~ is guilty of a misdemeanor ~~and upon conviction shall be punished by a fine of not more than \$1,000, by imprisonment in the county jail for not more than 6 months, or by both such fine and imprisonment.~~"

Section 20. Section 37-50-402, MCA, is amended to read:

"37-50-402. Privileged communications. Except by permission of the client or person or firm or corporation engaging him or the heirs, successors, or personal representatives of such client or person or firm or corporation and except for the expression of opinions on financial statements, no certified public accountant, licensed public accountant, or employee thereof shall be required to nor shall he voluntarily disclose or divulge information of which he may have become possessed relative to and in connection with any professional services as a public accountant. The information derived from or as a result of such professional services shall be deemed confidential and privileged. The provisions of this section shall not apply to the testimony ~~or documents~~ of a public accountant given ~~furnished~~ pursuant to a subpoena in a court of competent jurisdiction ~~or a board proceeding.~~"

~~NEW SECTION.~~ Section 21. Codification instruction. Section 13 is intended to be codified as an integral part of Title 37, chapter 50, and the provisions of Title 37, chapter 50, apply to section 13.

-End-

amendments to SENATE BILL 295 BE ADOPTED.

Senator Severson made the motion that Senate Bill 295 As Amended Do Pass. Senator Lee seconded the motion.

The Committee voted unanimously, by voice vote, that SENATE BILL 295 AS AMENDED DO PASS.

CONSIDERATION OF SENATE BILL 392: An act to generally revise and clarify the licensing laws for certified public accounts and licensed public accountants; to broaden the board of accountants mandatory rulemaking authority; to allow the board to require accounting experience as a prerequisite to receiving a permit; granting the board authority to assess investigative costs; providing for exceptions to privileged communications; and providing a penalty.

Senator Roger Elliott stated he was the sponsor of this bill. It is a lengthy bill but does a simple thing in the accounting section of the law. It was drafted by the Board of Public Accountants. This bill essentially sets up a different set of requirements for CPAs and LPAs in practice. There is also a little bit of housekeeping. On page 2, line 9, they struck the word "treasurer". The Board does not have a treasurer anymore since the Department of Commerce does the bookkeeping.

Senator Kolstad asked about a Statement of Intent. Senator Elliott stated yes he does have one and asked that it be with the bill. (Exhibit No. 2)

PROPOSERS TO SENATE BILL 392: George Anderson, CPA, stated he supported this bill. It segregates the right to practice as a public accountant from the certificate. If you wish to practice as a CPA you must also have that certificate. If you do not want to practice public accounting, if you want to work as a teacher or in a corporation, it still requires that you must meet all requirements as if you were practicing. We do not feel this is exactly fair. The person not practicing public accounting need not keep up in all of these areas. As the law is now, if you do not keep all of these they write and tell you to return your certificate.

Tom Harrison, Montana Society of CPAs, stated this bill does exactly what Mr. Anderson has outlined to you. He supports this bill.

Jack Dobbins, CPA, Montana Board of Accountants, stated he supported this bill. As a member of the Board of Accountancy they have had a lot of administrative problems involving this issue. The certificate constitutes the license. When you are out of public accounting they require that you return the certificate. The changes proposed in this bill will establish a permit to practice separate from the certificate. You will be able to retain possession of this certificate.

Mike Holland, CPA, stated the Montana Society of CPAs support this dual licensing system.

Ann Bullington stated as a CPA they are very much in favor of this bill. There is a provision that is on page 3, section 2(i) which she feels is very important.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE:

Senator Regan stated lets assume that I had a CPA license and I practiced in the profession, then I had children and about five years later I decided that I wanted to take some kind of business on the side and do accounts. How would that affect me? Mr. Anderson stated you would probably still have to have a license. The only thing required for you to continue would be continuing education. You must get 40 hours of education a year. If you want to continue practicing you must have a license and do CPE.

Senator Regan stated but I am a CPA. Mr. Anderson stated the only thing in order to maintain the certificate you must get 40 hours of continuing education per year.

Senator Regan stated you can become an architect, pay your licensing fees to the State and if you belong to AIA you can practice architecture. I believe you can do the same in being a doctor, you are telling me I cannot do the same thing being a CPA? Mr. Anderson stated you have to maintain your license with the State of Montana. I think it is the same thing with the architects.

Senator Regan stated you have this 40-hour requirement which without that you cannot practice. Mr. Anderson stated the continuing education has come about in the profession in the last 15-20 years. The profession feels that if you want to continue to practice you must keep yourself up on the profession. In the present law he must get that education even though he does not need it.

Senator Gage stated we keep running into that situation. You have to get continuing education. Anyone who does not keep up is going to be phased out. You need continuing education that is available to you without going to a designated source. Mr. Anderson stated it is true that the free market system does take care of it; however, the individual that does not keep up reduces his chances.

Senator Gage stated the fact that you have a license and get 40 hours of education per year does not mean you are going to be qualified either.

Senator Regan stated this bill has been in existence for four years now. Are there CPAs that don't stay up? Mr. Dobbins stated when it was put into the law there was a transition period. It will be a year before they will be able to tell if there have been any violations of that law.

Senator Gage stated my understanding is it is a part of that law right now. Senator Elliott stated yes, this bill does not change requirements for CPAs but makes CPE mandatory in practicing public accounting.

Senator Fuller stated in a follow-up to Senator Regan's question she comes back she has 200 hours of continuing education to pick up. Mr. Dobbins stated she would have to meet the CPE requirements but there is a provision to meet that over a period of time.

Senator Kolstad asked you have a maximum of time? Mr. Dobbins stated you have to have 120 days within the 3 preceeding years.

Senator Christiaens asked if the same person who is not practicing for 8 years then would be able to come back in and over the next 2 years would he be allowed to pick up that 120 hours? Mr. Dobbins stated no, he thinks what the Board Rules state they have to have 120 hours at the time they apply for their license. This bill does not really get into that question but it does alleviate the problem a little bit. The rule on CPE primarily is a result of a sunset audit.

Senator Regan asked do the CPAs have a national organization like the architects? Mr. Anderson stated yes.

Senator Regan asked on a national level? Mr. Anderson stated yes. Senator Regan asked are there reciprocity with other states? Mr. Anderson stated yes.

Senator Regan asked is there a test which is given which sets national standards? Mr. Anderson stated it is the exact same examination which is given in 54 jurisdictions and 4 territories all graded at the same place.

Senator Regan stated then if I have earned this CPA certificate through reciprocity might I be able to practice in Wyoming or Idaho and that state may or may not have continuing education as a requirement? How could you take my certificate away from me right now because I may not be using it, here but I may be using it in Wyoming? Mr. Anderson stated the law in the State of Montana says you must have continuing education. Under this bill you would not have to worry about it. You could practice in the State of Wyoming if they did not have continuing education.

Senator Regan stated she sees a problem in the bill after earning the CPA and living in Montana but practicing in another state that does not have continuing education. I suspect that if you went to court to try to get my certificate away from me the court would not let you.

Nisha Humphreys, CPA, stated she has a certificate of reciprocity from Colorado. Under the law without maintaining her certificate and a license from Colorado she could not practice in Colorado. When she moved here she had to qualify again. She had to meet the separate state requirements in other areas. She knows others who have gone to Colorado and could not practice because the laws are so much more stringent than Montana. There are other states that are even more

stringent. Utah requires 5 years of education instead of 4. The certificate by the state is separate and would preclude the problem.

Senator Gage stated I think just because you have a CPA certificate you cannot go into any state and automatically practice. You must meet the standards of that state.

Senator Fuller stated I gather you are concerned about individual rights here. This is a consumer bill. Senator Regan stated I think it is a self-serving bill. As you restrict and make more restrictive requirements you also are limiting the number of people who will be practicing in your profession.

Senator Fuller asked have the women CPAs taken a position on this bill? Ms. Bullington stated no they have not taken an official stand.

Senator Christiaens stated on page 21, line 23, the fine would not be more than \$1,000. Staff Attorney Petesch stated you can specify the penalty. If you stated it was a misdemeanor it would be \$500.

Senator Christiaens stated you are doubling the amount of that conviction how often was the fine levied previously? Mr. Dobbins stated it never has. Senator Elliott stated it is entirely discretionary in the law.

In closing, Senator Elliott stated he emphasized that the testimony is not relevant to this bill. What this bill is doing is making a way for continuing education requirements in public practice. There needs to be an amendment to the bill on page 4, paragraph f, lines 16-19. This is covered under g and h. Strike paragraph f and renumber. The areas of experience do not apply. Staff Attorney Petesch had a change in the Statement of Intent. Copies were given to the committee (Exhibit No. 3) This is not a limiting bill in any sense of the word and it is not a self-serving bill.

The hearing was closed on Senate Bill 392.

CONSIDERATION OF SENATE BILL 323: An act to treat stock owned by siblings as owned by one shareholder for purposes of the Small Business Corporations election.

Senator Thomas Hager stated this bill was requested by an individual in Billings. Stock has been given to the children. They are over the limit of 10 members of a small business corporation and caused them to lose their investment credit. They are asking that all stock owned by the children be treated if owned by one stockholder.

There were no proponents and no opponents.

QUESTIONS FROM THE COMMITTEE:

Senator Severson asked are these all underage children? Senator Hager stated yes.

Senator Fuller asked do you have any idea why they did not include siblings under the original law? Senator Hager stated under the original

ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983

DATE 2-14-83

[illegible]

2-14-83

BUSINESS & INDUSTRY

Check One	
Support	Oppose

Neysa Humphrey

✓ ✓ ✓

392

✓

NAME: George D Andrus DATE: 2-14-83

ADDRESS: Helena MT

PHONE: 442-3560

REPRESENTING WHOM? MT Soc. CPAs.

APPEARING ON WHICH PROPOSAL: SB 392

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Naysha Humphrey DATE: 2-14-83

ADDRESS: Helena MT

PHONE: 442-3540

REPRESENTING WHOM? MT Soc of CPAs

APPEARING ON WHICH PROPOSAL: SB 392

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

to an individual policy I am covered by the Blues under this policy. I have been covered by them for six months. You want to raise my rates. How much notification do I get before you raise my rates as an independent? Mr. Skinner stated 30 days notification on an individual contract.

Senator Regan stated if this were to read 45 days would it cover me past 45 days too? Mr. Screener stated no only if you are on a conversion. In the event you do not want to remain on the conversion contract you have an option to apply for other coverage which requires a certain level of your health to be eligible for that program. *

Senator Fuller stated he is bothered by the equity on this as we are doing this only with the Blues. Senator Regan stated it is because of the horrendous rate increases by the Blues.

Senator Fuller asked can you describe the typical conversion person? Mr. Screener stated the average conversion person generally foregoes the coverage. The ones that definitely need coverage will seek coverage. They are going to be a high risk individual.

Senator Fuller asked what problems do we cause your average insurance group rate? Mr. Screener stated administratively you have inserted the insurers average group rate which I think is better than the other one but has caused some administrative problems. It would be difficult to calculate what an average group rate is. You are going to run into problems when someone transfers from a group rate and goes to a conversion plan. One of the options would be you might have to lower your benefits on your conversion rate to get them down to 150%. They thought 175% would cover them fairly well.

Senator Fuller asked how do your rates compare with commercials? Mr. Screener stated right now our new programs are somewhat lower. Their conversion rates are very competitive.

Senator Regan stated if you have computers why can't you assign a code key and punch in a factor. Mr. Skinner stated the problem is we already have the established group rate on these conversions. If you change your average group rate you change everything on your conversion situation. It causes billing problems.

Senator Regan suggested a subcommittee be appointed to work on this bill. Senator Kolstad selected Senator Gage, Chairman, Senator Christiaens and Senator Fuller.

ACTION ON SENATE BILL 392: Senator Fuller made the motion that the Statement of Intent Be Adopted. Senator Lee seconded the motion. (Exhibit No. 3)

The Committee voted 9-1 with Senator Goodover voting no that the Statement of Intent to SENATE BILL 392 BE ADOPTED.

Senator Lee made the motion that the proposed amendments to Senate Bill 392 Be Adopted. Senator Severson seconded the motion. (Exhibit No. 4)

The Committee voted 8-2 that the proposed amendments to SENATE BILL 392 BE ADOPTED.

Senator Goodover made the motion that Senate Bill 392 As Amended Do Not Pass. Senator Regan seconded the motion.

Senator Gage stated this is less regulation. If you are not a practicing public accountant you do not have to adhere to all of this.

Senator Christiaens stated suppose you were a CPA working as a farm implement dealer. You then, with this bill, would not be required to take the 40 hours of study each year. If you left that job and went into a private practice of CPA you then would have two years to bring up 120 hours of required study. Senator Gage stated he is not sure but under hardship conditions you would have to bring some of that back up.

Senator Regan stated in spite of how much it protects the public this continuing education does not assure that. The continuing education is offered by this very Board you are mandating. I think what you are doing here is further setting in the continuing education concept. If you had a CPA certificate that you earned and they tried to take it away from you she does not think they could.

Senator Christiaens stated on page 21, line 20, the fine seems to be ridiculous at \$1000. I think we should do something to take it out.

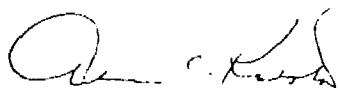
Senator Christiaens made a motion that we strike \$1000 and insert \$500. Senator Boylan seconded the motion.

The Committee voted unanimously, by voice vote, that this proposed amendment to SENATE BILL 392 BE ADOPTED.

Senator Christiaens made a substitute motion that Senate Bill 392 As Amended Do Pass.

The Committee voted 9-1 with Senator Regan voting no that SENATE BILL 392 AS AMENDED DO PASS.

ADJOURN: There being no further business, the meeting was adjourned at 12:10 p.m.



ALLEN C. KOLSTAD, CHAIRMAN

ROLL CALL

BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983

DATE 2-15-83

[illegible]

STANDING COMMITTEE REPORT

February 15

19 83

MR. **President**

BUSINESS AND INDUSTRY

We, your committee on

SENATE

392

having had under consideration

Bill No.

Respectfully report as follows: That
be amended as follows:

SENATE

392

Bill No.

1. Page 4, lines 16 through 19
Following: line 15
Strike: subsection (f) in its entirety
Renumber: subsequent sections

2. Page 21, line 23.
Following: "than"
Strike: "\$1,000"
Insert: "\$500,"

AND AS AMENDED

DO PASS

"STATEMENT OF INTENT ATTACHED"

STATEMENT OF INTENT

This bill requires a statement of intent because it requires rulemaking by the Board of Public Accountants.

Under new subsections added to section 37-50-203, the Board must adopt internal rules to preserve the confidences of clients of investigated public accountants, rules defining experience requirements and rules for investigations and enforcement of the law and board rules. The internal rules required are intended to prevent disclosure by board members and employees of facts learned through board investigations which the client of the investigated party, who may be unaware of the investigation, never consented to. The Legislature believes this to be a sensitive area, as investigations may or may not result in civil and criminal charges and may even result in legal action by others against the client. Rules governing experience required by the Board must require only so much experience as is necessary for the protection of the public and must not impede access to the profession by those persons reasonably well qualified. Enforcement rules must create a positive enforcement program which will require application of continuing education principles for persons who, among others, may be close to violations of the law but for which other disciplinary action is not warranted.

STATEMENT OF INTENT

Bill NO. _____ [LC 935]

This bill requires a statement of intent because it requires rulemaking by the Board of Public Accountants.

Under new subsections added to section 37-50-203, the Board must adopt internal rules to preserve the confidences of clients of investigated public accountants, rules defining experience requirements and rules for investigations and enforcement of the law and board rules. The internal rules required are intended to prevent disclosure by board members and employees of facts learned through board investigations which the client of the investigated party, who may be unaware of the investigation, never consented to. The Legislature believes this to be a sensitive area, as investigations may or may not result in civil and criminal charges and may even result in legal action by others against the client. Rules governing experience required by the Board must require only so much experience as is necessary for the protection of the public and must not impede access to the profession by those persons reasonably well qualified. Enforcement rules must create a positive enforcement program which will require application of continuing education principles for persons who, among others, may be close to violations of the law but for which other disciplinary action is not warranted.

Proposed Amendment to SB 392

1. Page 4, lines 16 through 19
Following: line 15
Strike: subsection (f) in its entirety
Renumber: subsequent subsections

2. Page 21, line 23
Following: "more than"
Strike: "\$1,000"
Insert: "\$500"

1 percent of what we paid. As we get more current, the percentage increases a little bit but as the claims get older, the percentage drops back toward the 1 percent. This should be going back to the co-ops to avoid increased rates.

ROD HANSEN, Montana Rural Electric Co-Ops: The present law is a nuisance. In 1977 one electric co-op paid the State of Montana 196.77 and that's the largest amount in the last five years; in 1978 - \$17.84; in 1979 - \$8.40; in 1981 - we didn't pay anything and in 1982 we paid \$20.00. We have to maintain the records for a 7 year period and it's just a nuisance.

OPPONENTS:

DOROTHY McCARTER, ASSISTANT ATTORNEY GENERAL: Title 70, Chapt. 9, MCA, provides that property not claimed by its true owner is kept in permanent custody by the State. SB 389 arbitrarily singles out certain cooperative associations. The owners of property under these associations will no longer have the rights to claim their property. This raises questions of constitutionality. (Exhibit #3)

SEN. TURNAGE, in closing, said he would like to respectfully disagree with the Attorney General's office. There are very specific notice requirements as to the abandoned property laws. The State of Montana will keep other property. The bill will stand a constitutional inquiry if the policy of the legislature is to treat cooperative dividend credits as a class. I request you consider this measure on behalf of all of Montana's cooperative members.

QUESTIONS:

REP. JENSEN: The state doesn't take possession until after seven years. Has there ever been anyone after their property is taken opting to reclaim it? Ms. McCarter: Yes.

REP. LYBECK: Aren't you regulated to a certain degree to find the owners? Mr. Hansen: We have records of all the unclaimed accounts. If someone comes after the seven years, we would not have any problem with giving them their money.

REP. SCHULTZ: When this money comes into the state is it put in some special interest account? Ms. McCarter: It's put into a state educational trust fund. It is proportioned back to the school districts.

REP. METCALF: Who is carrying this bill to the floor?
Rep. Lybeck volunteered.

SENATE BILL 392

SEN. ELLIOTT, District 8, sponsor, opened by saying he is a certified public accountant. This bill has to do with the educational requirements of certified public accountants and licensed public accounts. The bill is directed toward the two classes other than public accounts - those employed by private industry or the government. In 1980 the profession passed by law a requirement that all CPA's and LPA's have 120

hours of continuing education before they can have their license renewed. This bill will remove that requirement from those accountants working in private corporations and government. The profession does not see the need for continued education if they are not serving the public.

PROPONENTS:

GEORGE ANDERSON, Immediate Past President, American Institute of Certified Public Accountants: This is an interesting bill because you have a profession asking you to relax the requirements instead of tightening them up. We don't feel it's fair that we tie the CPA certificate to the license to practice. If they go into private industry that has nothing to do with accounting and they fail to take the continued education, we ask them to turn in their certificate. The purpose is to separate the right to practice from the right to retain your certificate.

PAT DEVRIES, State Board of Accountants: We have stacks of excuses from CPA's on why they were not able to continue their education, especially from those who are not practicing at this time. Some people cannot find their certificates to send in - some have left the state. The bill also states that the firm calling for an investigation must pay for it. This has cost the board alot of money in the past.

MIKE HOLLAND, Montana Society of CPA's: The Montana society supports this legislation as it will simplify administration for the state board.

TOM HARRISON, lobbyist, Montana Society of CPA's: The major feeling among CPA's is that their certificate was earned and they want to be able to keep it whether their license is renewed or not.

OPPONENTS: none

SEN. ELLIOTT, in closing, said there are about 1500 CPA's in the state and about 100 LPA's.

QUESTIONS:

REP. FAGG: What would happen to a person who drops out for 15 years and then wants to come back in? Sen. Elliott: The board would determine if he has met the continued education requirements. The board has the right to waive the certificate if he is not qualified. The board may also allow you to practice if you show you are taking continuing education.

REP. SCHULTZ: I have two letters from CPA constituents who are upset about the investigative powers in the bill. They said they were not informed about it. Mr. Anderson: I will be very happy to talk to these men. Rep. Schultz: They felt they would support this bill if the enforcement section was watered down.

EXECUTIVE SESSION:

SENATE BILL 117

REP. FAGG: I move SENATE BILL 117 BE CONCURRED IN.
QUESTION: The motion carried unanimously.

SENATE BILL 353

REP. FAGG: I move SENATE BILL 353 BE CONCURRED IN.
QUESTION: The motion carried unanimously.

SENATE BILL 392

REP. METCALF: We will postpone action on SB 392 until tomorrow.

SENATE BILL 389

REP. SCHULTZ: I move SENATE BILL 389 BE CONCURRED IN.
QUESTION: Motion carried unanimously.

SENATE BILL 432

REP. FAGG: There should be something in the bill so a sloppy retailer will not stick the wholesaler. Rep. Wallin: There are people who are sloppy operators. This provides an option to allow him to market and get rid of his merchandise. The people who sell the parts to a franchise dealer have a stake in that business and will advise the retailer on sales.

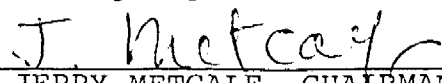
REP. FAGG: I am concerned about the retailer treating the wholesaler poorly. This allows the retailer to drop out at any time causing the wholesaler alot of problems.

REP. WALLIN: I move the prepared amendment on page 2, line 22.
QUESTION: Motion carried unanimously.

REP. WALLIN: I move SENATE BILL 432 BE CONCURRED IN AS AMENDED.
QUESTION: The motion carried with Rep. Fagg, Jensen and Hart voting no.

REP. KITSELMAN: I move we reconsider action on Senate Bill 353. I have a problem with car dealers and retail clothing stores all getting into the insurance business. Rice Motors will create insurance and offer it as an incentive for an automobile loan. Rep. Wallin: It's going to be available. The bill says we can set up an insurance company and we will keep the premiums inside the state instead of sending them out.
QUESTION: Motion failed.

The hearing adjourned at 10:15 a.m.



REP. JERRY METCALF, CHAIRMAN



Linda Palmer, Secretary

Bus. & Ind.

HOUSE

COMMITTEE

BILL

Date 3-10

SPONSOR

Form CS-33
1-81

PROPOSERS:

NORMA SEIFFERT, Chief Deputy, Montana Insurance Department:
We have thoroughly inspected the bill and the amendments and
feel it is entirely acceptable.

OPPOSERS: none

QUESTIONS:

REP. SCHULTZ: If it's only \$9,500, how are you going to get
more jobs out of it? Rep. Metcalf: Right now \$400,000 is
invested in a Minnesota firm and it would be invested in
Montana. Your fiscal note will explain it.

REP. METCALF: Who will carry this bill to the House?
Rep. Fabrega volunteered.

EXECUTIVE SESSION

SENATE BILL 325

REP. FABREGA: I move SENATE BILL 325 BE CONCURRED IN.
QUESTION: The motion carried unanimously.

SENATE BILL 382

REP. PAVLOVICH: I move the amendment.
QUESTION: Motion carried unanimously.
REP. ELLISON: I move SENATE BILL 382 BE CONCURRED IN AS
AMENDED.
QUESTION: Motion carried unanimously.

SENATE BILL 403

REP. SCHULTZ: I am against a flat fee because I think the
ones that cause the most problems should pay the most.
REP. HANSEN: I am on the Board of Sanitation. We tried
to figure out some kind of individual inspection fee. I
think we will probably come back with a bill that will be
so much for restaurants and so much for campgrounds.
Missoula's cost \$65 and they need the increase.
REP. METCALF: There is not a fee in this state that is
based on actual costs.
REP. ELLISON: I move the amendments.
QUESTION: Motion carried unanimously.
REP. FAGG: I move SENATE BILL 403 BE CONCURRED IN AS AMENDED.
QUESTION: The motion carried with Rep. Schultz voting no.

SENATE BILL 392

REP. FABREGA: I move SENATE BILL 392 BE CONCURRED IN.
QUESTION: Motion carried with Rep. Schultz & Ellison voting no.

SENATE BILL 249

STANDING COMMITTEE REPORT

MARCH 11 19 53

SPEAKER:
MR.

BUSINESS & INDUSTRY

We, your committee on

having had under consideration SENATE Bill No. 392

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A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND CLARIFY THE LICENSING LAWS FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS; TO BROADEN THE BOARD OF ACCOUNTANTS MANDATORY RULEMAKING AUTHORITY; TO ALLOW THE BOARD TO REQUIRE ACCOUNTING EXPERIENCE AS A PREREQUISITE TO RECEIVING A PERMIT; GRANTING THE BOARD AUTHORITY TO ASSESS INVESTIGATIVE COSTS; PROVIDING FOR EXCEPTIONS TO PRIVILEGED COMMUNICATIONS; AND PROVIDING A PENALTY; AMENDING SECTIONS 37-50-102, 37-50-201, 37-50-203, 37-50-301, THROUGH 37-50-303, 37-50-305, 37-50-308, 37-50-311, 37-50-312, 37-50-314, 37-50-316, 37-50-321, 37-50-322, 37-50-333 THROUGH 37-50-335, 37-50-342, AND 37-50-402, MCA."

Respectfully report as follows: That SENATE Bill No. 392

~~AND~~ BE CONCURRED IN